

The Overland Express Limited / 1967 Annual Report

AR30



The Overland Express Limited

and Subsidiary Companies



AUTHORIZED CAPITAL

167,000 60¢ Cumulative Non-Callable Preference
Shares of no par value convertible into
Common Shares at the rate of 1 Common
Share for each Preference Share.
400,000 Common Shares of no par value.

ISSUED CAPITAL

167,000 Preference Shares.
216,000 Common Shares

OFFICERS

Robert D. Grant, President.
Stephen J. Suske, Vice President and General Manager.
William A. Reid, Secretary-Treasurer.

DIRECTORS

Frederick A. Beck, Q.C., Toronto, Ont.
William E. N. Bell, Toronto, Ont.
Robert D. Grant, Toronto, Ont.
Frank D. Lace, Toronto, Ont.
William A. Reid, Woodstock, Ont.
Stephen J. Suske, Woodstock, Ont.
Ian S. Waldie, Toronto, Ont.

AUDITORS

Clarkson, Gordon & Co., London, Ont.

SOLICITORS

White, Bristol, Beck & Phipps, Toronto, Ont.

TRANSFER AGENTS & REGISTRAR

The Royal Trust Co., Toronto, Ont.



The Overland Express Limited

and Subsidiary Companies

Facts in Brief

	1967 October 28	1966* October 29	1965 October 30	1964 October 31	1963 November 2
Net freight revenue (total sales)	\$9,858,400	\$6,502,501	\$8,183,521	\$7,181,518	\$6,456,062
Consolidated net profit after taxes					
— amount	\$533,141	\$ 81,220	\$358,927	\$395,658	\$304,991
— percent of net freight revenue	5.4	1.3	4.4	5.5	4.7
Times Preferred dividend earned	5.32	.81	3.58	3.95	3.04
Earnings per Common share after Preferred dividend ..	\$2.00	(\$.09)	\$1.28	\$1.48	\$1.02
Common Stock dividend per share	\$.325	Nil	\$.30	\$.25	\$.10
Earnings per share (assuming all preference shares were converted into common shares)**	\$1.39	\$.22	\$.97	\$1.08	\$.83
Cash flow per share (assuming all preference shares were converted into common shares)**	\$3.11	\$1.82	\$2.71	\$2.53	\$2.05
Book value per share (including Preferred)**	\$7.17	\$6.21	\$6.26	\$5.71	\$5.01
Salaries, wages and benefits	\$5,229,239	\$3,653,223	\$4,218,065	\$3,563,784	\$3,324,405
No. of full time employees at year-end	718	719	692	643	595
No. of Preferred shareholders at year-end	994	1,027	1,063	1,097	1,107
No. of Common shareholders at year-end	599	700	690	650	667
No. of tons transported	530,929	397,944	529,631	475,334	418,283
No. of shipments transported	402,591	321,996	484,109	489,320	475,012
Total mileage	10,331,265	6,799,635	9,364,419	8,608,651	7,428,952
Fuel taxes and licences	\$652,265	\$507,130	\$579,427	\$507,391	\$436,140
Equipment owned and operated:					
Trucks and Tractors	292	272	291	267	259
Semi Trailers	448	405	375	322	271
Miscellaneous	84	78	81	77	66

* 1966 figures affected by fourteen week strike.

** Preference shares may be converted into common shares at the rate of 1 common share for each preference share.

The Overland

(Incorporated under the laws of the Province of Ontario)

AND SUBSIDIARIES

Consolidated Balance Sheet

(WITH COMPARATIVE FIGURES)

	1967	1966
CURRENT:		
Cash	\$ 9,174	\$ 8,813
Accounts receivable (net of allowance for doubtful accounts of \$25,000 in 1967 and 1966)	1,790,202	1,871,995
Inventory of parts and supplies — at the lower of cost or market value	79,052	74,981
Cash surrender value of life insurance	29,647	25,428
Prepaid expenses	137,781	82,131
5% refundable tax	36,840	13,000
	<u>2,082,696</u>	<u>2,076,348</u>
ASSETS		
FIXED — AT COST:		
Land and roadways	379,640	367,706
Buildings	1,952,999	1,904,388
Furniture and equipment	501,262	475,260
Automotive equipment	5,325,569	4,749,103
	8,159,470	7,496,457
Less accumulated depreciation	<u>5,144,844</u>	<u>4,624,187</u>
	<u>3,014,626</u>	<u>2,872,270</u>
Franchises — at nominal value	1	1
On behalf of the Board R. D. Grant, Director W. A. Reid, Director		
	<u>\$5,097,323</u>	<u>\$4,948,619</u>

The accompanying "Notes to the Consolidated Financial Statements" are an integral part of these consolidated financial statements.

To the Shareholders,
THE OVERLAND EXPRESS LIMITED.

AUDITOR

We have examined the consolidated balance sheet of The Overland Express Limited and subsidiaries as at November 28, 1967, and the consolidated income statement for the year then ended, and the consolidated surplus and source and application of funds for the year then ended. Our examination included supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of The Overland Express Limited and its subsidiaries as at November 28, 1967, and the consolidated results of their operations and their funds for the year then ended in accordance with generally accepted accounting principles in Canada.
London, Canada, November 28, 1967.

Express Limited

(Incorporated under the laws of Ontario)

COMPANIES

Statement, October 28, 1967

(FIGURES FOR 1966)

CURRENT:	1967	1966
Due to bankers — against which accounts receivable have been pledged — on demand loan	\$ 70,000	\$ 764,717
— on overdraft	23,183	163,370
	<u>93,183</u>	<u>928,087</u>
Accounts payable and accrued charges	759,521	633,621
Taxes payable	604,430	102,178
Deferred bank loan and mortgage principal payments due within one year	100,400	97,550
	<u>1,557,534</u>	<u>1,761,436</u>
DEFERRED:		
Deferred bank loan and mortgages payable — note 1	894,808	992,533
Less deferred bank loan and mortgage principal payments due within one year and included in current liabilities	100,400	97,550
	<u>794,408</u>	<u>894,983</u>
SHAREHOLDERS' EQUITY:		
Capital — note 2		
Authorized:		
167,000 60c cumulative non-callable preference shares of no par value convertible into common shares at the rate of 1 common share for each preference share		
400,000 common shares of no par value		
Issued:		
167,000 preference shares	164,000	75,600
216,000 common shares (202,400 in 1966)	2,581,381	2,216,600
Consolidated earned surplus	<u>2,745,381</u>	<u>2,292,200</u>
	<u>\$5,097,323</u>	<u>\$4,948,619</u>

LIABILITIES

Statements should be read in conjunction with this statement.

REPORT

Companies as at October 28, 1967 and the consolidated statements of profit and loss, earned general review of the accounting procedures and such tests of the accounting records and other

Companies as at October 28, 1967, the results of their operations and the source of application of applied on a basis consistent with that of the preceding year.

CLARKSON, GORDON & CO., Chartered Accountants.

Consolidated Statement of Profit and Loss

YEAR ENDED OCTOBER 28, 1967 — (with comparative figures for 1966)

	1967	1966
Net freight revenue (total sales)	\$9,858,400	\$6,502,501
Operating expenses excluding depreciation	7,979,188	5,669,556
Operating profit for year before deducting depreciation and interest on bank loans and mortgages	1,879,212	832,945
Deduct:		
Depreciation	656,234	590,435
Interest on bank loans and mortgages	87,837	96,290
	744,071	686,725
Profit for year before taxes on income	1,135,141	146,220
Taxes on income	602,000	65,000
Consolidated net profit for year	\$ 533,141	\$ 81,220

The accompanying "Notes to the Consolidated Financial Statements" should be read in conjunction with this statement.

Consolidated Statement of Source and Application of Funds

YEAR ENDED OCTOBER 28, 1967 — (with comparative figures for 1966)

	1967	1966	Increase or (decrease)
Working capital, beginning of year	\$ 314,912	\$236,981	\$ 77,931
Sources of funds:			
Operations —			
Consolidated net profit for year	533,141	81,220	451,921
Add depreciation	656,234	590,435	65,799
	1,189,375	671,655	517,720
Proceeds from sale of assets	7,829	9,673	(1,844)
Proceeds from issue of capital stock	88,400		88,400
	1,285,604	681,328	604,276
Application of funds:			
Dividends paid to shareholders ..	168,360	100,200	68,160
Investment in automotive equipt.	713,125	389,355	323,770
Investment in other fixed assets	93,294	15,475	77,819
Repayment or provision for re- payment of deferred bank loan and mortgages payable	100,575	98,367	2,208
	1,075,354	603,397	471,957
Working capital, end of year	\$ 525,162	\$314,912	\$210,250

Consolidated Statement of Earned Surplus

YEAR ENDED OCTOBER 28, 1967 — (with comparative figures for 1966)

	1967	1966
Balance, beginning of year	\$2,216,600	\$2,235,580
Add consolidated net profit for year	533,141	81,220
	2,749,741	2,316,800
Deduct dividends paid on —		
Preference shares	100,200	100,200
Common shares	68,160	
	168,360	100,200
Balance, end of year	\$2,581,381	\$2,216,600

The accompanying "Notes to the Consolidated Financial Statements" should be read in conjunction with this statement.

Notes to the Consolidated Financial Statements — OCTOBER 28, 1967

NOTE 1 — DEFERRED BANK LOAN AND MORTGAGES PAYABLE

Particulars of deferred bank loan and mortgages payable at October 28, 1967 and at October 29, 1966 are as follows:

	1967	1966
Deferred bank loan repayable \$5,000 per month	\$120,000	\$180,000
Mortgages —		
7¼% on which repayment has been waived for at least one year	15,000	15,000
6% - 7¼% repayable in monthly instalments of blended principal and interest totalling \$7,557 and due at varying dates from December, 1970 to August, 1985	759,808	797,533
	\$894,808	\$992,533
Less principal payments due within one year	100,400	97,550
	\$794,408	\$894,983

NOTE 2 — CAPITAL STOCK

As at October 28, 1967 there were options outstanding to certain officers and other employees on 16,000 common shares of capital stock at \$6.50 per share. These options become exercisable to the extent of 6,400 shares each on January 1, 1964 to 1968 inclusive on a cumulative basis, and are subject to termination on January 1, 1969. During the year ended October 28, 1967 options were exercised on 13,600 shares for \$88,400 cash.

NOTE 3 — DIRECTORS AND OFFICERS REMUNERATION

The aggregate direct remuneration paid or payable by the company and its subsidiaries to the directors and senior officers during the year ended October 28, 1967 amounted to \$127,210 (\$72,331 in 1966).

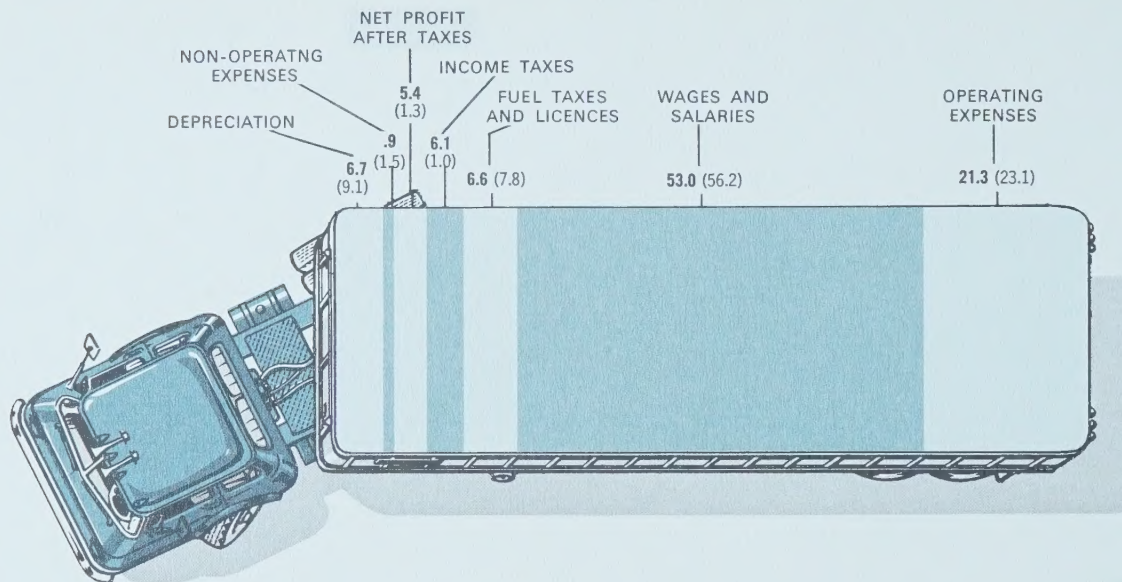
NOTE 4 — PENSIONS

As at October 28, 1967 the companies liability in respect of past service pension benefits not provided for in the attached consolidated financial statements amounted to \$69,070. It is the intention of the companies to provide for and pay this liability in equal annual instalments of approximately \$13,800 over the next 5 years. The cost of past service pension benefits paid for and charged to expense in 1967 and 1966 amounted to \$13,814. All other pension costs are provided and paid for in the year in which such costs are incurred.

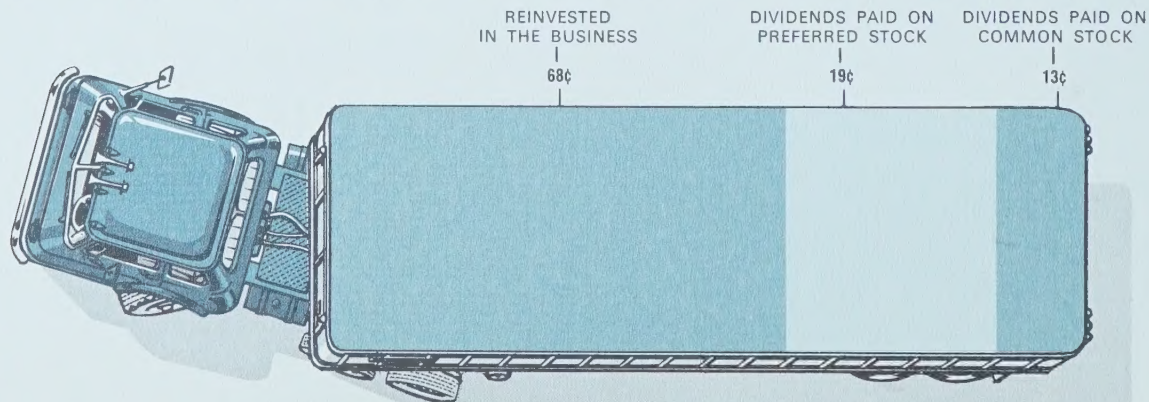


OUR 1967 REVENUE DOLLAR . . . and what we did with it!

(1966 FIGURES IN BRACKETS)



HERE'S OUR AFTER TAX PROFIT DOLLAR . . . and what happened to it!





The Overland Express Limited

Sales and Traffic Department

The policy and aims of the Sales & Traffic Department of the Overland Express Limited are to vigorously present to the shipping public our various services and thus to secure profitable traffic which will enable us to meet or exceed established tonnage and revenue goals.

To assist in every way possible in creating and maintaining a favourable corporate image with the general public as well as the shipping public.

The fulfillment of these aims is essential for Overland to maintain its position as a leader in the field of truck transportation in Ontario and thus to justify the confidence of its shareholders, provide security for its employees and develop favourable attitudes with regulatory bodies and the general public.

We have only one product to sell and that is service to the public throughout the area embraced by our operating authority.

Our business is the movement of goods by highway in intra-provincial service throughout Southwestern Ontario and international service between Southwestern Ontario and United States points via the gateways of Detroit/Windsor, Port Huron/Sarnia, Buffalo/Fort Erie, Niagara Falls, New York and Niagara Falls, Ontario.

The service that we sell takes many different forms:

Expedited border customs clearance at U. S. Gateways quoted above.

Inland customs clearance for goods "in bond".

Our own licensed customs warehouse at Kitchener.

Daily Bondliner service Chicago - Toronto.

Daily Centraliner service Chicago - Central Ontario.

Heated service for goods requiring this protection.

Western Canada service through connecting carriers.

Unique equipment designed for movement of long loads, steel bridges, etc.

Low bed float service for hauling heavy machinery and equipment.

Our wholly-owned subsidiary Hodgson-Taylor Co. Ltd. are specialists in moving and placing of heavy goods.

As reported elsewhere in this report the sales picture for the past year has been a satisfactory one for Overland. Economic forecast for 1968 would indicate that we can expect an increase in dollar volume of somewhere between 5 - 10% with perhaps another 5% added for upward rate adjustments throughout the year.

The normal expansion of industry within our operating area, traffic generated by the United States/Canada auto agreement and Kennedy Round of Tariff Cuts, are items which should insure steady expansion for Overland.

We earnestly request the support of all shareholders in promoting traffic for your company.

H. W. Rawlings,
Director, Sales & Traffic.

THE OVERLAND ROUTE



Listed below are just a few of the many thousands of our customers

Addressograph - Multigraph of Canada Limited
American Motors Canada Limited
S. M. Ashton Limited
Atlas Steel Company Limited
Babcock & Wilcox Canada Limited
Barber Die Castings Company Limited
Barber - Greene Canada Limited
Baxter Laboratories of Canada Limited
Bear Equipment & Service Limited
Bell & Howell Canada Limited
Bendix Eclipse of Canada Limited
Benson & Hedges (Canada) Limited
British American Oil Company Limited
Bundy Tubing Company Limited
Canada Colours & Chemicals Limited
Canada Iron Foundries Limited
Canada Wire & Cable Company Limited
Canadian Acme Screw & Gear Limited
Canadian Admiral Corporation Limited
Canadian Clark Limited
Canadian General Electric Company Limited
Canadian General Tower Limited
Canadian Industries Limited
Canadian Johns-Manville Company Limited
Canadian Liquid Air Limited
Canadian Westinghouse Company Limited
Caterpillar of Canada Limited
Champion Spark Plug Company of Canada Limited
Chrysler Canada Limited
Clairtone Sound Corporation Limited
Cockshutt Farm Equipment of Canada Limited
Continental Can Company of Canada Limited
Geo. W. Crothers (1965) Limited
Dalex Industries Limited
De Vilbiss Canada Limited
John Deere Limited
Dole Valve Company of Canada Limited
Dominion Bridge Company Limited
Dominion Foundries & Steel Limited
Dominion Gasket & Manufacturing Company Limited
Dominion Glass Company Limited
Dominion Steel & Coal Corporation Limited
Domtar Pulp & Paper Limited
Donald Ropes & Wire Cloth Limited
Douglas Aircraft Company of Canada Limited

Dow Chemical of Canada Limited
Dunlop Canada Limited
Dupont of Canada Limited
Eaton Automotive Canada Limited
T. Eaton Company Limited
Eaton, Yale & Towne Inc.
Electrohome Limited
Ferranti - Packard Electric Limited
Fiberglas Canada Limited
Firestone Tire & Rubber Company of Canada Limited
Fisher Governor Company
Ford Motor Company of Canada Limited
W. J. Gage Limited
Galt Metal Industries Limited
Gardner-Denver Company (Canada) Limited
General Mills, Inc.
General Motors of Canada Limited
General Steel Wares Limited
General Tire & Rubber Company of Canada Limited
Gidon Industries Limited
B. F. Goodrich-Canada Limited
Goodyear Tire & Rubber Company of Canada Limited
Griffith Laboratories Limited
Hamilton Carhartt Manufacturing Limited
Hamilton Cotton Company Limited
Harding Carpets Limited
Hartz Mountain Pet Supplies Limited
Harvey Woods Limited
Hayes - Dana Limited
Honeywell Controls Limited
Hydro Electric Power Commission of Ontario
Imperial Oil Limited
Industrial Wire & Cable Company Limited
Ingersoll Machine & Tool Limited
International Harvester Company of Canada Limited
International Nickel Company of Canada Limited
Kelsey-Hayes Canada Limited
Kelvinator of Canada Limited
Kimberley Clark of Canada Limited
Kirsch of Canada Limited
Koehring Waterous Limited
Kraft Foods Limited
Kralinator Filters Limited
Lennox Industries (Canada) Limited
Liquid Carbonic Canadian Corporation Limited

Liquor Control Board of Ontario
Luffkin Rule Company of Canada Limited
Mansfield-Denman General Company Limited
Massey-Ferguson Industries Limited
Mattel Canada Limited
McCulloch of Canada Limited
McKinnon Industries Limited
Midland Ross of Canada Limited
Moffats Limited
Morrow Screw & Nut Company Limited
Motor Wheel Corporation of Canada Limited
Motorola (Ontario) Limited
Nestlé Canada Limited
North American Plastic Company Limited
Northern Electric Company Limited
Pilkington Brothers (Canada) Limited
Polymer Corporation Limited
Prestolite Company Limited
Purolator Products (Canada) Limited
Ralston Purina of Canada Limited
Rex Chainbelt (Canada) Limited
Reynolds Aluminum Company of Canada Limited
Richards-Wilcox of Canada Limited
Rockwell-Standard Corporation of Canada Limited
Rothmans of Pall Mall Canada Limited
Scott Paper Limited
Shell Canada Limited
Simpson-Sears Limited
Somerville Industries Limited
Standard Brands Limited
Standard Tube & T. I. Limited
Stanley Works of Canada Limited
Steel Company of Canada Limited
Sunbeam Corporation (Canada) Limited
Thompson Products Limited
Timberjack Machines Limited
Toledo Scale Company of Canada Limited
Tube Turns of Canada Limited
Union Carbide Canada Limited
Uniroyal (1966) Limited
Wallaceburg Brass Limited
Hiram Walker & Sons Limited
Weatherhead Company of Canada Limited
Weldwood of Canada Limited
Worthington Canada Limited

